

13 June 1946

MEMORANDUM

TO: The Director
FROM: General Counsel
SUBJECT: Administrative Authority of CIG

1. On 22 January the President directed the NIA to plan, develop and coordinate Federal foreign intelligence activities, to assure the most effective accomplishment of the intelligence mission related to national security. He further directed the respective Departments to assign persons and facilities, which persons shall collectively form the CIG under the Director thereof to assist NIA. The mission of the Director of CIG is to correlate, evaluate and disseminate intelligence, making full use of the staff and facilities of intelligence agencies; to coordinate activities of such agencies and recommend over-all policies and objectives for the national intelligence mission; and to perform for "said intelligence agencies such special services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally".

2. The above appears to give the complete administrative authority of CIG. As outlined, it is purely a coordination function with no substance or authority to act on its own responsibility in other than an advisory and directing capacity. Thus, it has no power:

- (A) To take personnel actions;
- (B) To certify payrolls and vouchers;
- (C) To authorize travel;
- (D) To procure supplies directly for itself or enter into contracts.

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All the above are fundamental technicalities which apply equally to vouchered and unvouchered funds.

3. Thus, the essential problem is that CIG has no power to expend Government funds. The Secretary of War could give the Director, CIG, unvouchered funds to spend at the latter's discretion, but even so the certification of the voucher would have to be done by the Secretary. A good example of the problem is the case of a civilian employee now assigned to CIG full time. The classification sheet and personnel action papers are headed not "CIG", but "State, War and Navy Departments", and actual payment is made on the payroll of one or the other of these Departments as may be appropriate. The case in question is paid on War Department Contingencies payroll. If necessary or expedient for one reason or another, he could be cut off War Department and be put on either State or Navy payrolls. A body serving CIG could be built up in this way, but it would still be in the form of facilities furnished by the Departments, just as Army officers are assigned for duty with the Director but remain on the Army finance records for pay and administration. A time element is injected by Public Law 358, which in brief provides that no funds may be made available to any agency or instrumentality which remains in existence for more than one year without a specific appropriation from Congress during that year. Consequently, after 22 January 1947, Departments could not even furnish unvouchered funds to the Director, CIG, and it would be questionable whether the Departments could furnish personnel and supplies paid for out of vouchered funds.

LRH/ml1

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